

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
MARCH 15, 2004**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, March 15, 2004.

The meeting was called to order at 7 PM by Chairman Ken Sendelweck who presided.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Ken Sendelweck – Chairman
Greg A. Krodel – Vice Chairman
Michael A. Schwenk – Electric Commissioner
Jeffrey S. Theising – Water Commissioner
Dennis L. Hasenour – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Thomas A. Lents – Wastewater Manager
Michael A. Oeding – Gas & Water Manager
Kenneth R. Schultz – Business Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Edward J. Kreilein – Secretary
Mike Harder – Wastewater Commissioner

PLEDGE OF ALLEGIANCE (B-18)

Chairman Ken Sendelweck led the Pledge of Allegiance.

BID OPENING: CO. RD. 100 SOUTH WATER LINE INSTALLATION (B-28)

Sandy Hemmerlein stated that the notice appeared in the Herald on February 26th and on March 4th. She stated there was only one bid. Mike Oeding stated that three bid packages were picked up.

Hemmerlein opened the bid and read it aloud as follows:

1. Lechner's \$48,298.70

Included was a signed form 96, a signed non-collusion affidavit, and a cashier's check.

Mike Schwenk made a motion for Mike Oeding and City Engineer Chad Hurm to take the bid under advisement and report back at the next meeting. Dennis Hasenour seconded the motion. Motion approved, 5-0.

QUOTE OPENING: BACKHOE REPLACEMENT – GAS & WATER (B-78)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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|----|------------------|---|
| 1. | Wayne Supply Co. | \$14,119.00 |
| 2. | Hopf Equipment | \$67,880.00 |
| | | <u>- 58,580.00</u> trade in – 2002 loader backhoe |
| | | \$ 9,300.00 |

Greg Krodel made a motion for Mike Oeding to take the quotes under advisement and report back at the next meeting. Jeff Theising seconded the motion. Motion approved, 5-0.

QUOTE OPENING: SKID STEER LOADER REPLACEMENT – WASTEWATER (B-109)

Sandy Hemmerlein opened the quote and read it aloud as follows:

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|----|----------------|--|
| 1. | Hopf Equipment | \$27,362.00 |
| | | <u>- 20,012.00</u> trade in – 2002 skid steer loader |
| | | \$ 7,350.00 |

Tom Lents stated this was the annual skid steer loader replacement program.

Mike Schwenk made a motion for Tom Lents to take the quote under advisement and report back at the next meeting. Jeff Theising seconded the motion. Motion approved, 5-0.

QUOTE OPENING: TV SYSTEM – WASTEWATER (B-129)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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|----|-------------------------------|----------------------|
| 1. | Envirosight
Randolph, NJ | \$44,319.00 |
| 2. | R & R Visual
Rochester, IN | \$45,000.00 |
| | | \$ 875.00 roller kit |
| | | \$ 1,475.00 locater |

Tom Lents said he wanted Board approval tonight so he could go ahead and order the system due to the length of time it takes to receive it.

Lents reviewed the quotes during the meeting and recommended proceeding with the low quote of \$44,319.00 from Envirosight.

Mike Schwenk made a motion to accept the low bid of \$44,319.00 from Envirosight and to allow Tom Lents to proceed with ordering the TV system. Greg Krodel seconded the motion. Motion approved, 5-0.

APPROVAL OF MINUTES (B-178)

Chairman Ken Sendelweck presented the minutes of the February 16, 2004 meeting and there being no corrections or amendments, asked for a motion to accept. Dennis Hasenour made a motion to approve the minutes of the February meeting as presented. Jeff Theising seconded the motion. Motion approved, 5-0.

PUBLIC BUSINESS: SEWER EXTENSION REQUEST (B-186)

Ken Brosmer, representing Leon Fleck, came before the Board to request an extension of the City sewer to Mr. Fleck's new home just off of S.R. 164, which is out of the City limits.

Brosmer presented a map of the area.

Brosmer stated that Mr. Fleck has applied for annexation.

Tom Lents said he didn't have a problem with the extension and Commonwealth approved the extension as far as the capacity of the system.

Sandy Hemmerlein said Mr. Fleck should be made aware that he would be required to pay debt service because he is connecting into the Whoderville line, and he will need to install a pump, etc. at his expense.

Greg Krodel made a motion to allow the extension to the City sewer as requested. Mike Schwenk seconded the motion. Motion approved, 5-0.

UPDATE – NEW BUILDING ADDITION – ELECTRIC DISTRIBUTION (B-260)

Jerry Schitter gave a brief update on the new building addition.

The metal structure has been erected, the concrete floor has been poured, the retaining wall is up, the overhead doors are hung, and they started on the electrical and the plumbing work. He said by mid April they should be able to move some equipment into the new addition.

Schitter said when the steel structure was being erected, the engineers discovered there was a window inside the building instead of on the outside, and it had to be bricked shut. Schitter presented Change Order #3 for \$550.00 for material and labor for Jasper Lumber.

Dennis Hasenour made a motion to approve Change Order #3 for \$550.00 for Jasper Lumber. Mike Schwenk seconded the motion. Motion approved, 5-0.

Chairman Sendelweck suggested that Schitter express his disappointment to the engineers for not noticing the window. Schitter said he already has.

RESULTS OF METER TESTING SYSTEM BID OPENING – ELECTRIC DIST. (B-308)

Jerry Schitter reported that the low bid for the meter testing system was from Utility Test Equipment Co. for \$21,100.00.

Jeff Theising made a motion to accept the low bid for \$21,100.00 from Utility Test Equipment Co. Mike Schwenk seconded the motion. Motion approved, 5-0.

BIDS FOR EZ HAULER – ELECTRIC DISTRIBUTION (B-322)

Jerry Schitter said that next month he would be seeking bids for a new EZ Hauler that was in his 2004 Capital Expenditure Plan.

Schitter explained the EZ Hauler is a combination of a bucket truck, derrick truck, and an equipment truck all in one.

Schitter said the normal procedure is to advertise for bids if the expenditure is over \$75,000.00, which this is; however, since it is a specialty piece of equipment and no one in the area sells them, he asked for Board approval to waive the advertising stipulation on the bidding process for this piece of equipment.

Sandy Hemmerlein said that the Indiana State law requires advertisement when we do a public works project, so we have to follow that same law, but in this case, it's for a capital purchase, and we have a policy that requires advertising in the local paper if there is a supplier who could supply the product. Since Schitter stated there is no local supplier for the equipment, and it is just a policy, the stipulation could be waived.

Greg Krodel made a motion to waive that portion of the bidding process policy for this piece of equipment. Jeff Theising seconded the motion. Motion approved, 5-0.

RESULTS OF ASBESTOS REMOVAL BID OPENING – POWER PLANT (B-356)

Windell Toby reported that the low bid for asbestos removal was from Incorp, Inc. for \$51,299.00.

Toby received Board approval in February to proceed with the low bid.

RESULTS OF DA TANK INSPECTION QUOTE OPENING – POWER PLANT (B-360)

Windell Toby reported that the low quote for the tank inspection was from Coastal Inspections for \$3,895.00. The company met all of the specifications and all insurance requirements.

Mike Schwenk made a motion to accept the low quote for DA tank inspection from Coastal Inspections for \$3,895.00. Dennis Hasenour seconded the motion. Motion approved, 5-0.

RESULTS OF BOILER TUBE WELDING QUOTE OPENING – POWER PLANT (B-370)

Windell Toby reported that the low quote for the boiler tube welding was from Kennedy Tank for \$17,690.00. The company met all specifications and all insurance requirements.

Dennis Hasenour made a motion to accept the low quote for boiler tube welding from Kennedy Tank for \$17,690.00. Jeff Theising seconded the motion. Motion approved, 5-0.

POWER PLANT SHUT DOWN (B-379)

Windell Toby reported that the scheduled power plant shut down will start on April 15th and will last about 3 weeks. During that time they will do the asbestos removal, the DA tank inspection and the tube welding.

ELECTRIC PLANNING COMMITTEE REPORT (B-386)

Mike Schwenk, Chairman of the Electric Planning Committee, stated there had not been a meeting to report on.

RESULTS OF NEW VEHICLE QUOTE OPENING – GAS & WATER (B-387)

Mike Oeding reported the low quote for a new vehicle was from Sternberg's for \$20,492.00. All specifications were met.

Mike Schwenk made a motion to accept the low quote of \$20,492.00 from Sternberg's and to allow Mike Oeding to order the vehicle. Greg Krodel seconded the motion. Motion approved, 5-0.

RESULTS OF SKID STEER LOADER QUOTE OPENING – GAS & WATER (B-392)

Mike Oeding reported that the low quote for the skid steer loader was from Hopf Equipment for \$3,350.00. All specifications were met.

Jeff Theising made a motion to accept the low quote of \$3,350.00 from Hopf Equipment. Mike Schwenk seconded the motion. Motion approved, 5-0.

UPDATE ON WATER PROJECTS (B-399)

CO. RD. 100 SOUTH WATER MAIN PROJECT – Mike Oeding reported the bids were opened tonight. Three sets of specifications were picked up, but only one bid was received.

TOP OF “Y” PROJECT – Lechner's is 60% - 70% complete. They ran into sandstone and were requesting extra compensation, but Oeding and Chad Hurm looked at the contract and explained to Lechner's that it states the ground conditions are “as is”.

SOUTH WATER TOWER – Work will start again as the weather allows. Commonwealth estimates it will take 3-4 weeks to complete the project.

CLEARWELL PROJECT – Mitchell & Stark is substantially complete. The punch list work will be completed within 30 days of receiving the signed certificate of substantial completion.

The only outstanding issue is repair of the street. Oeding said a claim was submitted to Mitchell & Stark's insurance company, but it was denied. Mitchell & Stark are still willing to repair the street;

however, they want to know how the City wants to resolve the issue. Oeding said he would get Street Commissioner Raymie Eckerle's opinion.

Oeding said we would hold a payment of \$7,000.00, plus retainage of 200%, for a total of \$14,000.00.

Jeff Theising made a motion to approve the partial certificate of substantial completion with a \$14,000.00 retainage. Mike Schwenk seconded the motion. Motion approved, 5-0.

UPDATE - OLD WATER PLANT DEMOLITION (B-478)

Mike Oeding reported the demolition is complete except for some seeding.

Oeding said Jerry Schitter has expressed an interest in the property and asked for the Board's guidance.

Chairman Sendelweck suggested that Oeding and Schitter should negotiate and report back to the Board.

Mayor Schmitt suggested talking to Building Commissioner Dave Seger to get his opinion on the property value.

UPDATE ON GAS PROJECT (B-521)

Mike Oeding reported that the Gas Utility employees are 60% - 70% complete on the Top of the "Y" gas project, but they have been running into rock while boring under the roads.

OLD PUMPS TO DECLARE AS SURPLUS PROPERTY (B-546)

Mike Oeding stated he has three old water pumps from the old water plant that he wants to declare as surplus property so he can dispose of them. He has checked with other water utilities and no one expressed any interest.

Greg Krodel made a motion to declare the three water pumps as surplus property and to be disposed of for scrap value. Dennis Hasenour seconded the motion. Motion approved, 5-0.

CHANGE ORDER – CLEARWELL PROJECT (B-565)

Mike Oeding presented a change order for \$300.00 for Weyer Electric to change the electric service on the Clearwell Project from 1,200 AMP service to 600 AMP service.

Jeff Theising made a motion to approve Change Order #B1 for Weyer Electric for \$300.00. Mike Schwenk seconded the motion. Motion approved, 5-0.

APPRAISALS FOR BUILDING AT 2350 TERRY LANE (B-578)

Mike Oeding reported that the joint appraisals for the building at 2350 Terry Lane have been completed and asked the Board how to proceed.

Sandy Hemmerlein said the next step, according to the law, is to hold a public hearing on the sale of the property. She suggested holding the hearing at 7:10 PM on April 19, 2004.

Hemmerlein said after the hearing, the Board would make a recommendation to the Mayor on whether the property should be sold, and then it would require a resolution by the Mayor and the Council approving the disposal and the sale. Then we would proceed with an auction or whatever is decided.

TUITION REIMBURSEMENT – MIKE GOULD (B-609)

Mike Oeding asked the Board to reimburse tuition expenses of \$1,472.00 to Mike Gould for a 4-hour credit course in AC circuits.

Mike Schwenk made a motion to reimburse Mike Gould for tuition expenses of \$1,472.00 as presented. Jeff Theising seconded the motion. Motion approved, 5-0.

NEWTON STREET WATER TANK REHABILITATION (B-619)

Mike Oeding stated he wants to start the Newton Street Water Tank Rehabilitation project and asked for the Board's opinion on seeking an engineering firm.

Oeding said the last time this tank was done it was all done internally, and they did not have good results.

Councilman Butch Schitter suggested getting comparative bids.

Chairman Sendelweck agreed with Councilman Schitter. He said Oeding could at least do some preliminary research on some engineering firms.

Greg Krodel made a motion to allow Mike Oeding to seek proposals from engineering firms for the Newton Street Water Tank Rehabilitation project. Mike Schwenk seconded the motion. Motion approved, 5-0.

RADIO READ WATER METERS (B-695)

Mike Oeding informed the Board of a problem with residents damaging the new radio read water meters with aerators, landscaping equipment, etc.

Oeding said it costs about \$135.00 for time and material to replace the damaged radio read meters.

Ken Schultz reported he added a message on the March utility bills warning customers to take precautions around the radio read meters or they will be billed \$135.00.

Oeding said he would like to include a picture of the radio read water meters in with utility bills in the near future.

Oeding said he also wants to advise customers that employees and contractors will be in the field changing out water meters and they will have proper identification on them.

GAS PLANNING COMMITTEE REPORT (B-747)

Mike Oeding reported that the Gas Planning Committee met to discuss gas pressure problems with Decora on Meridian Road, and a problem that Columbus Oil Field Exploration has with supplying gas to an asphalt plant on Hwy 162.

Oeding said that a representative from Columbus Oil had originally offered to run a gas line from the Bretzville area to the northeast corner of the intersection of the bypass road and Meridian Road, and the City would run a gas line from just south of Decora to the northeast corner to pick up the other line, which would help alleviate pressure problems, and in return, they want the City to transport the gas through our system from the Co. Rd. 100 South area to them so they can provide gas to the asphalt plant on Hwy 162.

Oeding said that two property owners would not agree to allow the gas line to run through their properties.

Oeding said he approached the County Commissioners to obtain permission to run the line on the county easement in the area. The Commissioners didn't have a problem with it, but the property owner's have ownership to the centerline of the road and the easement is set up for public utility. The only way to proceed with it is if the Gas Utility owned the line past the property owners. Oeding said that Columbus Oil is willing to install the gas line for the City and the City would have ownership to the end of the problem area. The County Commissioners would then have the right to extend the easement to the City, and they have assured Oeding that they would do so.

Oeding said he checked with the insurance company and there are certain rules they would have to follow.

The metering station would stay in the same location, according to Oeding, and Columbus Oil has agreed that any loss of gas before that would be at their cost instead of the City's, and they would assume ownership of the gas in our line to the meter station.

Oeding said their other option would be to run the gas through a Huntingburg gas line to the asphalt plant so they wouldn't have the easement problems. To solve the pressure problems on the Jasper system, Columbus Oil would extend their 4" line at Co. Rd. 100 South and Kimball Blvd. to meet our line at the Meridian Road and Hwy 162 intersection, at their cost.

Oeding said he just wanted to inform the Board of the options.

WATER PLANNING COMMITTEE REPORT (A-121)

Jeff Theising, Chairman of the Water Planning Committee, reported that the committee met on February 24th to discuss change orders on the West 6th Street Water Main Replacement project.

Theising presented Change Order #1 in the amount of \$3,155.00 for additional excavation and fitting to place a water main under an existing HDPE storm sewer, and to install and additional 8" gate valve.

Dennis Hasenour made a motion to approve Change Order #1 for \$3,155.00 as presented and as recommended by the Water Planning Committee. Mike Schwenk seconded the motion. Motion approved, 5-0.

Theising also presented Change Order #2 in the amount of \$7,180.00 for additional excavation and fitting to place a water main under an existing concrete storm sewer, and to replace 8 linear feet of concrete storm sewer with 8 linear feet of HDPE storm sewer, including couplers and pipe connections. The backfill will include the concrete encasement of the water line and flowable fill around the storm sewer.

Theising stated the total contract amount has increased to \$103,646.87.

Greg Krodel made a motion to approve Change Order #2 for \$7,180.00 as presented and as recommended by the Water Planning Committee. Mike Schwenk seconded the motion. Motion approved, 5-0.

RESULTS OF TV SYSTEM VEHICLE QUOTE OPENING – WASTEWATER (A-197)

Tom Lents reported that the low quote for the TV system vehicle was from Luegers for \$19,659.00.

Lents said Luegers met all of the specifications and the vehicle has been ordered.

Board approval to proceed with the low quote was given to Lents at the February meeting.

RESULTS OF ROOF REPLACEMENT QUOTE OPENING – WASTEWATER (A-204)

Tom Lents reported that the low quote for the roof replacement was from Schmidt Contracting for \$28,630.00.

Lents said Schmidt Contracting met all specifications.

Mike Schwenk made a motion to accept the low quote of \$28,630.00 from Schmidt Contracting. Jeff Theising seconded the motion. Motion approved, 5-0.

WASTEWATER PLANNING COMMITTEE REPORT (A-231)

Mike Schwenk reported that the committee met on March 12th to discuss completion of the Whoderville Sewer project.

Schwenk said there was a pay request in from Reynolds to complete that project, and after they looked at damages that were left over as a result of some additional engineering charges, the committee recommended to ask Reynolds to change the last pay request to include any additional engineering costs, plus 10% for administration expenses, that were incurred as a result of delays of the project.

Dennis Hasenour made a motion to ask Reynolds to change the pay request as presented and as recommended by the Wastewater Planning Committee. Mike Schwenk seconded the motion. Motion approved, 5-0.

Sandy Hemmerlein said the committee also discussed the handful of people that still have not connected to the sewer in the Southwest sewer project. They have been given proper notification, according to our ordinance and State law.

The State law allows us to establish, enforce, and collect reasonable penalties for failure to connect, and also allows us to file legal action with the circuit or superior court to require connection.

Our ordinance states that our rights and remedies are as follows:

1. We may charge the owner/occupant the rates and charges that the owner/occupant would pay as though the connection was accomplished.
2. We may enter onto the owner's property and effect the connection at their expense.
3. We may obtain a court order directing the owner to comply and/or we can assess the owner a civil penalty of not more than \$100 per day that they are not in compliance.

In addition, the State law allows us to recover attorney fees and court costs in the event we did have to file a court action.

Hemmerlein said there is one situation that may require legal action before the next Board meeting and asked for Board approval to grant her, Ken Schultz, and Tom Lents the authority to use the rights and remedies that are set forth in our ordinance and in the State law, including court action.

Mike Schwenk made a motion to grant authority to Sandy Hemmerlein, Ken Schultz, and Tom Lents to use the rights and remedies as presented. Greg Krodel seconded the motion. Motion approved, 5-0.

APPROVAL TO IMPLEMENT "EQUAL PAYMENT" PLAN (A-319)

Ken Schultz stated he has received several inquiries concerning an equal payment plan on utility bills.

Schultz said he originally planned to implement this in 2005, but after doing some research he discovered that for the most part it was already available in the billing system, and with a few minor programming changes, it could be implemented.

Schultz explained that residential customers that choose to participate would be billed in equal monthly installments during an eleven-month billing cycle commencing with the July billing. The equal monthly installments will be determined by averaging the previous twelve months bills at the same location and adding 5%. The equal monthly installment amount may be adjusted at any time at the discretion of the Utility Business Office. The account will be settled with the June bill each year. If there is a balance due, it must be paid by the due date on that bill. If there is an overpayment, it will be refunded.

Schultz said enrollment will be forever, until terminated, but the equal monthly installments will be recalculated each year.

Councilman Butch Schitter asked if customers could pay ahead at any time. Schultz said yes they could.

Councilman Ray Howard asked about the advantage of refunding overpayments versus just applying the credit to the bill. Schultz said he didn't want to give the customer that choice because of the extra burden it would be for the customer service department, who would have to ask each participant, each year, which way they wanted it handled.

Mike Schwenk made a motion to approve Resolution #2004-03, which recommends to the Council to pass an ordinance implementing the "Equal Payment" Plan. Jeff Theising seconded the motion. Motion approved, 5-0.

DISPOSAL OF COMPUTER (A-470)

Ken Schultz reminded the Board that he obtained approval from them in September to dispose of an old AS400 computer.

Schultz asked for Board approval to scrap the computer since no one seems interested in it.

Dennis Hasenour made a motion to allow Ken Schultz to scrap the old AS400 computer. Greg Krodel seconded the motion. Motion approved, 5-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A-496)

Mike Schwenk reported the Finance Committee had met and reviewed the claims that were presented.

The Finance Committee recommended approval of the claims as presented.

Jeff Theising made a motion to approve the claims as presented. Greg Krodel seconded the motion. Motion approved, 5-0.

TOP OF "Y" PROJECT (A-507)

Councilman Butch Schitter asked Mike Oeding if the residents at the top of the "Y" would have to put up with the dirt in their yards until the State gets done. Oeding said they are on private property and his crew will clean it up when they are finished.

There being no further business to come before the Board, the meeting was adjourned at 8:37 PM upon motion by Dennis Hasenour and second by Jeff Theising. Motion approved, 5-0.

Attest: _____
Secretary

Chairman